

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 CIAE-00 NSAE-00 NSCE-00
SSO-00 USIE-00 INRE-00 PM-05 H-01 INR-07 L-03
NSC-05 PA-01 PRS-01 SP-02 SS-15 AID-05 COME-00
EB-08 FRB-03 TRSE-00 XMB-02 OPIC-03 LAB-04 EPG-02
SIL-01 OMB-01 STR-04 CEA-01 AGRE-00 /100 W
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O 260855Z JUL 77
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC IMMEDIATE 8266
INFO AMEMBASSY ATHENS
AMEMBASSY NICOSIA
AMCONSUL ADANA
AMCONSUL ISTANBUL
AMCONSUL IZMIR
USMISSION NATO
USMISSION USUN NEW YORK
/USDOCOSOUTH NAPLES
EUCOM
USCINCEUR
CINCUSAFE
USDOCOLANDSOUTHEAST IZMIR
DIA WASHDC

LIMITED OFFICIAL USE SECTION 1 OF 2 ANKARA 5564

CINCUSAFE FOR POLAD

E.O. 11652: N/A
TAGS: PFOR, MPOL, EFIN, PINT, EGEN, ETRD, EEC, TU, XF
SUBJECT: ECONOMIC FEATURES OF NATIONALIST FRONT PROTOCOL

REF: ANKARA 5546

1. MILLIYET JULY 25 CONTAINED WHAT APPEARS TO BE SUMMARY
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BUT NOT FULL TEXT OF PROTOCOL AGREED UPON AMONG JUSTICE,
NATIONAL SALVATION, AND NATIONALIST ACTION PARTIES,
PARTNERS IN PRIME MINISTER DEMIREL'S NATIONALIST FRONT
COALITION GOVERNMENT NOW AWAITING PARLIAMENTARY VOTE OF
CONFIDENCE. ECONOMIC PORTIONS AFFIRM DETERMINATION OF
THESE PARTIES TO MAKE TURKEY AN INDUSTRIAL COUNTRY.
DOCUMENT PROMISES IMPROVEMENT OF UNDERDEVELOPED REGIONS;

LOWERED INTEREST RATES AND, INDEED, EFFORTS TO INTRODUCE TAX-FREE CREDITS; ESTABLISHMENT OF A WAR INDUSTRY; SOCIAL JUSTICE, ESPECIALLY REDUCTION OF INCOME IMBALANCES; AND IT DECLARES INTENTION TO REORDER TURKISH ARRANGEMENTS WITH EUROPEAN COMMUNITY TO PROTECT TURKISH INTERESTS, AND TO IMPROVE INDUSTRIAL AND TECHNICAL RELATIONS WITH MOSLEM COUNTRIES. PROTOCOL, WHICH PROMISES ONLY GOOD THINGS, IS PUBLIC RELATIONS DOCUMENT AND SOMEWHAT UNREALISTIC CATALOG OF AIMS. IT GIVES NO INFORMATION ABOUT HOW THESE WILL BE ACHIEVED. PROTOCOL MAKES NO ACKNOWLEDGEMENT OF ACUTE FINANCIAL CRISIS CONFRONTING TURKEY OR OF MEASURES THAT MIGHT HAVE TO BE TAKEN TO RESTRUCTURE ECONOMY OVER MEDIUM TERM IN WAYS THAT WILL REDUCE EXTERNAL PAYMENTS DEFICIT.

2. PROTOCOL CONTAINED FOLLOWING MAIN PROMISES:

A. ECONOMIC DEVELOPMENT. COALITION PARTNERS WILL AIM AT MAKING TURKEY A POWERFUL INDUSTRIAL COUNTRY BY

- REALIZING DEVELOPMENT EFFORTS ALREADY STARTED AND ONES YET TO BE UNDERTAKEN;
- MOBILIZING PETROLEUM EXPLORATION EFFORTS FROM NATIONAL RESOURCES TO MEET DEMAND FOR PETROLEUM;
- CONSTRUCTING NEW PORTS, HARBORS, AND MARITIME FLEETS TO MAKE BETTER USE OF SEA WHICH SURROUNDS TURKEY ON THREE SIDES;
- REORGANIZING STATE ECONOMIC ENTERPRISES TO AVOID LIMITED OFFICIAL USE

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WASTE OF RESOURCES, INCREASE THEIR PRODUCTION, AND FORCE THEM TO OPERATE ON FREE-MARKET PRINCIPLES;

- ESTABLISHING A NATIONAL STOCK POLICY TO ASSURE PRICE STABILITY AND UNINTERRUPTED AVAILABILITY OF MATERIALS TO INDUSTRY.

B. UNDERDEVELOPED REGIONS. COALITION WILL IMPROVE UNDERDEVELOPED REGIONS OF EASTERN, SOUTHEASTERN, AND CENTRAL ANATOLIA THROUGH

- SPECIAL MEASURES AND DEVELOPMENT PROJECTS;
- INTRODUCTION OF PILOT PROVINCE-DEVELOPMENT PROJECT;
- ACHIEVING COMPARABILITY OF LIVING STANDARDS THROUGHOUT THE COUNTRY;
- EXTENDING ELECTRICITY TO ALL VILLAGES BY 1981.

C. CREDIT POLICY. COALITION WILL

- DIRECT CREDIT INSTITUTIONS TO GIVE PRIORITY TO CREDIT NEEDS OF TRADESMEN, SMALL BUSINESSMEN, INDUSTRIALISTS, AND FOR OWNER-OCCUPIED HOUSING;
- LOWER PRESENT HIGH INTEREST RATES;
- MAKE EFFORTS TO INTRODUCE TAX-FREE CREDITS.

D. ESTABLISHMENT OF A WAR INDUSTRY. COALITION PROMISES TO GIVE FIRST PRIORITY TO ESTABLISHMENT OF A WAR INDUSTRY. IT ADS THAT DEFENSE REQUIREMENTS WILL NOT BE MET FROM JUST ONE SOURCE (READ "UNITED STATES") BUT FROM ALL AVAILABLE SOURCES.

E. SOCIAL JUSTICE. PROTOCOL OPTIMISTICALLY PROMISES REALIZATION OF SOCIAL JUSTICE. IN PIOUS SECTION THAT SAYS NOTHING ABOUT MEANS TO THIS END, IT PROMISES
--"BLESSING OF MORAL AND MATERIAL DEVELOPMENT",
INCREASED NATIONAL INCOME, AND INCREASED WELFARE FOR ALL PEOPLE;
-- SPEICIAL MEASURES TO PROTECT ELDERLY AND DISABLED, WIDOWS, ORPHANS, LOW WAGE-EARNERS, AND UNEMPLOYED;
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-- PROTECTION OF RIGHTS OF WORKERS AND LABOR PEACE;
-- ESTABLISHMENT OF NEW NATIONAL EMPLOYMENT PLAN TO SOLVE UNEMPLOYMENT PROBLEMS;

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LIMITED OFFICIAL USE SECTION 2 OF 2 ANKARA 5564

CINCUSAFE FOR POLAD

-- REDUCTION OF SOCIAL AND ECONOMIC
IMBALANCES AND IMPROVEMENT OF INCOME DISTRIBUTION THROUGH
TAX MEASURES;
-- EXTENSION OF FREE HEALTH CARE TO ALL PEOPLE
THROUGH GENERAL HEALTH INSURANCE LEGISLATION.

F. FOREIGN ECONOMIC RELATIONS. TURKEY WILL
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-- REORDER ITS RELATIONS WITH THE EUROPEAN COMMUNITIES IN SUCH A
WAY AS TO AID TURKISH INDUSTRIALIZATION, PROVIDE MARKETS FOR
TURKISH EXPORTS, AND, IN GENERAL, PROTECT TURKISH NATIONAL
INTERESTS;

--IMPROVE INDUSTRIAL AND TECHNICAL RELATIONS WITH THE MOSLEM
COUNTRIES.

3. COMMENT. PROTOCOL HAS SOMETHING IN IT ECONOMICALLY FOR ALL
THE COALITION PARTNERS. DEPUTY PRIME MINISTER
ERBAKAN (NATIONAL SALVATION PARTY) GETS THE PROMISE
THAT DEVELOPMENT PROJECTS, ALREADY STARTED, INCLUDING
PRESUMABLY ALL THOSE THAT HE SPONSORED IN THE LAST
COALITION, WHETHER OR NOT WELL CONCEIVED, WILL BE CARRIED
OUT; THAT INTEREST RATES WILL BE LOWERED OR SOMETIMES
EVEN REDUCED TO ZERO IN COMPLIANCE WITH KORANIC
EXHORTATIONS AGAINST USURY; THAT SPECIAL EFFORTS WILL
BE MADE TO ASSIST DEVELOPMENT OF CONSERVATIVE EASTERN
AND SOUTHEASTERN REGIONS OF TURKEY WHERE ERBAKAN'S MAIN
STRENGTH LIES; AND THAT ECONOMIC TIES WILL BE INCREASED
WITH MOSLEM COUNTRIES. DEPUTY PRIME MINISTER TURKES
(NATIONALIST ACTION PARTY) AND ERBAKAN ARE PROMISED
THAT TURKEY WILL DEVELOP A NATIONAL WAR INDUSTRY. PRIME
MINISTER DEMIREL (JUSTICE PARTY) GETS AN ENDORSEMENT
OF THE MAJOR DIRECTION OF ECONOMIC POLICY PURSUED BY HIS LAST
COALITION GOVERNMENT: RAPID GROWTH THROUGH RAPID INDUSTRIALI-
ZATION.

4. PROTOCOL HAS STRONG ECHOES OF REPUBLICAN PEOPLE'S

PARTY GOVERNMENT PROGRAM ANNOUNCED BY THEN PRIME
MINISTER ECEVIT JUNE 28. THEME OF SOCIAL JUSTICE, WHILE
NOT TO BE IGNORED BY ANY DEMOCRATIC GOVERNMENT TODAY,
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SEEMS STRIKINGLY SIMILAR TO ECEVIT'S EVEN IN ITS
DETAILS: TAX REFORMS TO REDISTRIBUTE INCOME MORE
EQUITABLY, VILLAGE DEVELOPMENT, PROTECTION OF WORKERS'
RIGHTS; LABOR PEEAC, AND LAND REFORM. IT IS POSSIBLE
THAT SHAKY COALITION IS THEREBY SEEKING COOPERATION OF OPPOSITION
IN ECONOMIC POLICY AREA.

5. IT IS TO BE HOPED THAT MORE SERIOUS ECONOMIC
DISCUSSION WILL BE FOUND IN NATIONALIST FRONT PROGRAM, THE CO-
ALITION GOVERNMENT'S PLAN OF ACTION, SCHEDULED TO BE SUBMITTED
TO PARLIAMENT JULY 27.
SPIERS

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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
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